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30 August 1966

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INTELLIGENCE MEMORANDUM

SOUTH AFRICA ON THE CREST OF THE WAVE

DIRECTORATE OF INTELLIGENCE

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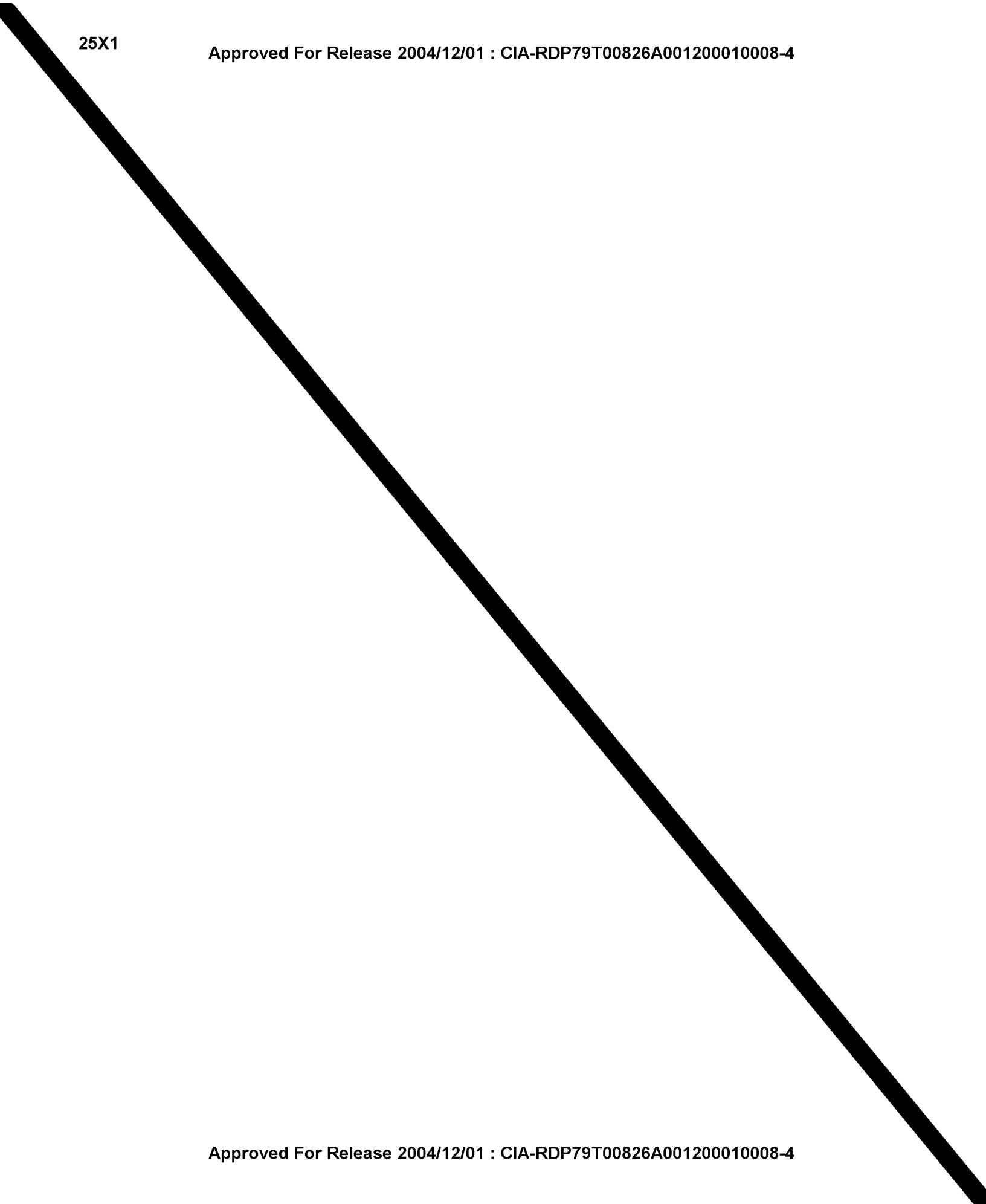

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
30 August 1966

INTELLIGENCE MEMORANDUM

South Africa on the Crest of the Wave

Summary

Prime Minister Verwoerd's government, long isolated from outside contact both by choice and by the opprobrium surrounding apartheid, appears to be taking a more positive approach to foreign affairs. Buttressed by confidence in South Africa's military and economic strength--a confidence that received a powerful boost when Verwoerd outfaced Britain over Rhodesia--Pretoria has recently shown an interest in influencing events in Malawi, Kenya, and perhaps in the Congo as well.

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Background

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3. South Africa has made a phenomenal recovery in almost every important respect from the nadir that followed the 1960 Sharpeville shootings. The security forces have become more efficient and, aided by draconian legislation, have harried the organized nonwhite opposition virtually out of existence. The economic boom continues, nourished to an ever-increasing extent by capital from inside the country. The few remaining areas in which South Africa might be even slightly vulnerable to economic sanctions are being whittled away. While maintaining its close economic ties with Britain, Pretoria is broadening its suppliers and markets to include France, Japan, and West Germany, among others. The government has modernized and greatly enlarged its military establishment, turning to France and Italy

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in the face of arms embargoes imposed by the US and (less fully) by Britain, and has steadily increased the domestic production of military weapons.

4. Perhaps most important, white South Africans have gained a renewed sense of security from these achievements, as well as increased faith in Prime Minister Verwoerd. These feelings were reflected in the massive majority that Verwoerd's party received in the elections last March. In general, the white populace seems inclined to give Verwoerd a virtual blank check on most important national issues.

South Africa's Foreign Policies

5. For some time this growing sense of strength was not particularly noticeable in South Africa's approach to foreign affairs.

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All these actions were essentially defensive, however. In retrospect, they appear as ad hoc efforts to head off the seemingly powerful southward flow of black nationalism.

6. Verwoerd has always claimed that Pretoria wanted good relations with the emerging nations to the north, and it has traditionally been a nominal part of Afrikaner doctrine that South Africa has a kind of manifest destiny to establish its influence throughout the southern part of the continent. Nevertheless, public and private foreign policy until 1964 was dominated by South Africa's military buildup and by the petulance and persecution complex of the then foreign minister, Eric Louw. Louw is now gone, and Verwoerd makes foreign policy directly. Moreover, in the past two years or so, the situation abroad has changed significantly in at least two, somewhat paradoxical, respects.

7. First, many African leaders, pressed by enormous problems closer to home, have been devoting

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less time to the South Africa issue. South Africa is still as much of a pariah to them as it ever was, and their efforts in international forums to persuade the West to act on the South Africa issue will be as vociferous as ever, or even more so. However, the Africans have clearly shown a diminishing interest in taking on South Africa themselves, or even in contributing significantly to the various liberation movements.

8. Second, while the Africans themselves were showing less interest in exerting direct pressure, forces generated essentially by African nationalism were confronting South Africa with challenges that were both concrete and close to home, and which thus demanded urgent attention. The first of these was the long-drawn-out International Court of Justice (ICJ) litigation over South-West Africa, on a complaint brought by Liberia and Ethiopia in 1960. The second was the progress of the three former British High Commission territories--Basutoland, Bechuanaland, and Swaziland--toward independence under African governments. The third was Rhodesia's declaration of independence last November and the subsequent strenuous British efforts to bring down the Ian Smith regime.

The Rhodesian Affair

9. By far the most serious problem was Rhodesia. Here the threat from Pretoria's viewpoint was that Britain in its effort to dislodge Smith might find itself moving also against South Africa, Smith's principal foreign supporter. Such a move would not only have jeopardized the symbiotic economic relationship between Britain and South Africa, it would also have made much more credible the threat of broad international sanctions directed specifically at South Africa. The danger became even greater on 9 April, when the UN Security Council at Britain's behest passed a sanctions resolution that invoked the enforcement provisions of the UN Charter. Although the resolution was directed only at the problem of oil tankers calling at Beira in Mozambique, Pretoria was clearly concerned that it constituted a precedent--particularly since it was common knowledge that considerable quantities of POL were being shipped to Rhodesia via South Africa.

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10. Britain [redacted] gave out vague warnings that Africans might force such a move in the UN unless the flow of oil from South Africa was stopped. Verwoerd may or may not have known precisely where London stood on the sanctions issue.

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The ICJ Ruling on South-West Africa

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came the ICJ's ruling on 18 July that Liberia and Ethiopia lacked legal standing to bring their South-West Africa complaint. The legalistically minded South Africans had presented a voluminous and well-prepared case. They apparently had been fairly certain that they would have nothing worse to contend with than an unfavorable but imprecise judgment that would give them scope for further legal maneuver; many of them believed a favorable ruling was not inconceivable.

12. The court's decision not to rule on the substance of the case deprived South Africa's opponents of any hope that they would soon have more leverage in their efforts to persuade the West to impose sanctions. Moreover, some black African states are now disillusioned with the whole idea of legal recourse and are reverting to the notion of some kind of more positive action. Since they lack the power to move against South Africa directly, most of their efforts will probably be channeled through the UN General Assembly and will take the form of further attempts to goad the West into action. But since Britain in particular will probably resist such pressure even more strongly now that there is no World Court decision to back it up, the chances are slim that any UN organ will be able to take effective measures. The most likely results, if the black Africans continue to push the issue, would be South Africa's withdrawal or expulsion from the UN, its continued defiance of any resolutions, and the exposure of the UN's weakness.

The British High Commission Territories

13. The third challenge--that involving the High Commission territories--was never particularly serious but it may have provided Pretoria with illuminating insights. The territories could in theory act as a base for subversives, but the Africans in all three are well aware that South Africa could strangle them

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economically at practically no cost to itself. More-

the economic facts of life and Britain's apparent desire to give the territories their independence as expeditiously as possible--have produced regimes in all three which, although they may have some propaganda significance as examples of multiracialism, are unlikely to do anything to incur Pretoria's wrath

Lessons Learned

14. Thus in each of these three cases--the High Commission territories, Rhodesia, and South-West Africa--the threat of pressure on South Africa is receding at the moment. In each case, Verwoerd has reason to believe that efforts by his government helped avert the danger. Moreover, Rhodesia showed him the limits of Britain's combativeness and thus suggested that, with the possible exception of the US, South Africa was the only reasonably powerful country that might be willing and able to commit much of its power in southern Africa. At the same time, the relationship with the High Commission territories gave Pretoria experience in making its influence felt in territories governed by Africans.

15. There is some persuasive evidence that, with these new experiences and buttressed by its growing sense of strength, South Africa may be taking a bolder approach to the whole problem of the "black peril." Anything more than speculation is difficult on some aspects of this problem but there are signs that Pretoria is trying to use its considerable financial resources to gain an economic foothold in countries to the north,

and is even attempting to influence people and events. Its aim, if this reading of the signs is correct, is nothing so unsubtle as the installation of African stooges all over the southern part of the continent. Indeed, this would patently be far beyond South Africa's capability. The purpose might rather

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be to bolster relatively moderate regimes, to monitor any changes that occur, and to minimize the harmful implications for South Africa.

Economic Aspects

16. One frequently overlooked fact is the extent to which the Rhodesian crisis has made Rhodesia itself an economic client of South Africa. Before November 1965 the Rhodesian economy was oriented northward, principally to Britain and Zambia. Trade with South Africa was restricted in order to protect Rhodesia's infant industries. After the Rhodesian declaration of independence, Britain sharply cut its trade with Rhodesia and Salisbury was denied access to the London money market. As a result, South Africa has become Rhodesia's main source of credit, one of its principal suppliers of essential materials (notably POL), and an important channel for exports as well. With Zambia embarked on a long-term campaign to end its economic dependence on southern Africa, it seems likely that Rhodesia's southward orientation will be confirmed. If Rhodesia should come under African control, this is one of the legacies with which an African government would have to cope.

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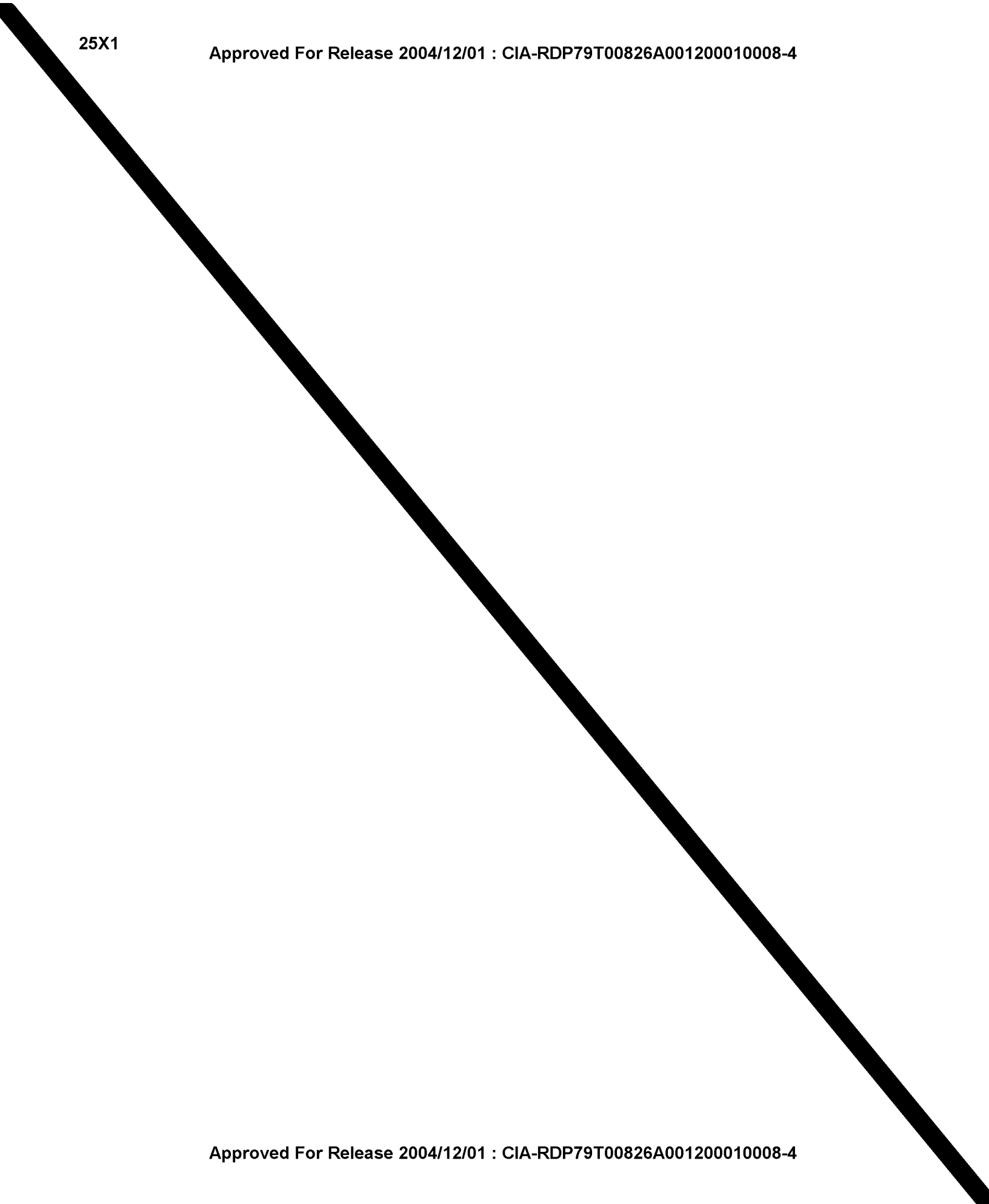

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Attitude Toward the US

22. The impression gained so far is of a South Africa newly secure in its strength, fending off a legal attack in the World Court, calling Britain's bluff on the issue of oil sanctions against Rhodesia, alert to opportunities to advance its interests farther north, and very possibly using its power with considerable sophistication. Marring its self-assurance is only one major unknown: the attitude of the US.

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Outlook

23. It should be made clear what the changes suggested by this analysis do not involve. First, the apparent new attitude depicted here has to do solely with South Africa's foreign policy. There is no suggestion that either apartheid or the battery of security legislation will be weakened; indeed, there

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are some signs that Verwoerd intends to push ahead even more vigorously with apartheid. More-over, Verwoerd will be operating at home with an Afrikanerdom which as a whole is almost as provincial as ever, and most South Africans are likely to be just as prone as ever to react negatively to outside advice.

24. Further, these changes do not presage a sudden improvement in South Africa's relations with black Africa. In any case, the South Africans can hope that at the very minimum their efforts--operating on an Africa that remains disunited and shows signs of becoming more inward-looking--will occasionally moderate the visceral African reaction to South Africa. Even this would further diminish the already negligible impact that African nationalism has on their control and would thus postpone the time when they must face a credible external threat from the north. And even such a negative accomplishment might also pave the way for the northward extension of positive South African influence.

25. With all these limitations, the change in attitude suggested by this analysis nevertheless seems significant. Up to now, however bull-headed and aggressive the South Africans have been about their domestic policies, their foreign policy has been almost entirely reactive. Now there is a prospect that South Africa will be assertive beyond its borders, and sometimes assertive on the side of those forces usually labeled "moderate" by the US. All this could occur without the slightest modification in the internal policies that have made South Africa an international outcast.

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